

UNITED STATES DEPARTMENT OF AGRICULTURE

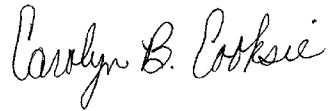
Farm Service Agency  
Washington, DC 20250

Notice FLP-135

**For:** State and County Offices

**Priority Consideration and Inventory Property**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Advertising and Selling Inventory Properties**

**A**

**Background**

RD Instruction 1955-C, Section 1955.107 explains the process for advertising and selling inventory property. As provided in FSA's enabling statute, all inventory property must be advertised for sale to beginning farmers before being made available to the general public.

The Consent Decree in Civil Action No. 97-1978, *Pigford v. Glickman*, mandates priority consideration for claimants who prevailed on their claim and, therefore, requires certain changes in disposing of inventory property.

**B**

**Purpose**

This notice provides the process for advertising and selling inventory properties to beginning farmers and prevailing claimants.

**C**

**Contact**

For further information about this notice, contact Joseph Pruss, LSPMD, at 202-690-2854.

Continued on the next page

**Disposal Date**

May 1, 2001

**Distribution**

State Offices; State Offices relay to County  
Offices

## 1 Advertising and Selling Inventory Properties (Continued)

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### D

#### Implementation for Beginning Farmers

All inventory property will continue to be advertised for sale to beginning farmers. However, any prevailing claimant in the civil action *Pigford vs. Glickman* may exercise their priority consideration in response to the advertisement.

The initial paragraph in the beginning farmer advertisement must be modified to state the following: “The property is being offered for sale to those individuals Farm Service Agency (FSA) considers to be qualified beginning farmers or ranchers, **and all prevailing claimants in the civil action *Pigford vs. Glickman*. Beginning farmers or ranchers who are prevailing claimants will be given first priority consideration in the purchase of this property. If more than one beginning farmer or rancher who is a prevailing claimant submits an application, priority within this group will be determined by lottery.** Qualified beginning farmers or ranchers must be in need of FSA credit assistance either in **the form of direct FSA financing, an FSA guaranteed loan, or a participation loan. For other requirements and information on how to qualify as a beginning farmer or rancher, you may contact your local FSA office.”**

If applications are received from beginning farmers or ranchers who are not prevailing claimants, and prevailed claimants who are not beginning farmers or ranchers, priority remains with the beginning farmers or ranchers.

**If, in response to the above advertisement, an application is received only from a prevailing claimant who is not a beginning farmer or rancher, the property must be sold to the applicant at market value.**

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### E

#### Implementation for All Others

If the property is not sold in response to the advertisement to a beginning farmer or rancher or a prevailing claimant, the property will be advertised for sale to the general public, under the procedure in RD Instruction 1955-C, Section 1955.107(b)(2).

Prevailing claimants may claim priority consideration in purchasing the property between the time of the advertisement to beginning farmers or ranchers and prevailed claimants, and the date of the scheduled public auction. To do so, prevailing claimants must notify FSA, **in writing**, of their intent to purchase the property by exercising their right to priority consideration under the terms of the Consent Decree in the civil action *Pigford vs. Glickman*. They may exercise this right up to COB on the last workday before the scheduled public auction of the property.

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